Retirement Income.

Product Disclosure Statement
10 September 2024

Catholic Super

Contents

About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is a summary of significant information. The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, you should also seek professional financial advice tailored to your personal circumstances. Where tax information is included, you should consider obtaining personal taxation advice. You should also refer to the relevant target market determination (TMD) for this product, available at **csf.com.au/tmd**

This PDS was up to date at the time it was prepared. Some information in this PDS is subject to change from time to time. If a change is not materially adverse, the updated information will be available on our website **csf.com.au**. A copy of any updated information can be requested free of charge by calling our Service Centre on **1300 655 002**.

Togethr Trustees Pty Ltd ABN 64 006 964 049, AFSL 246383 is the Trustee of Equipsuper ABN 33 813 823 017 ("Equip Super") ("the Fund). Catholic Super is a division of Equip Super.

Catholic Super Retirement Income

Catholic Super Retirement Income is an account-based pension that provides you with a regular income stream in retirement. It is flexible, allowing you to withdraw extra money whenever you need it.

What is Catholic Super Retirement Income?

A Catholic Super Retirement Income account provides you with a regular and flexible income once you've retired. It provides you with flexibility and control of your money.

Just like with a super account, you decide how your money is invested to best suit your retirement goals. Plus, there's no tax on your investment earnings.

You can find more information about who this product is designed for in the target market determination (TMD) document, available at **csf.com.au/tmd**

Flexibility to decide on your income

You decide how often you want to receive income payments. As Catholic Super Retirement Income is flexible, you can withdraw extra money if you need it, for example if you're planning a holiday or need to pay large bills. You can also decide to close your account at any time, and transfer your money into another super or retirement income account, or cash it out altogether.

Once you have opened an account, you can't make any more contributions to that account. If you'd like to add more funds, you would need to close your account and open a new one.

To keep making contributions into super, you need to maintain a super account.

If you still want to work

Once you've reached your preservation age, you can use your super to start a Catholic Super Transition to Retirement Income (TTR Income) account, which allows you to receive regular retirement income stream payments while you're still working. This might be appealing if you want to reduce your working hours, and top up your salary from your super. Alternatively, you may want to increase your super savings while taking advantage of tax concessions.

For more information on our TTR Income account, you should refer to the Catholic Super TTR Income PDS, which you can find on our website **csf.com.au**, or by calling our Service Centre on **1300 655 002**.

Who can open a Catholic Super Retirement Income account?

You can open an account if you meet one of these criteria:

- you are aged 65 or over,
- you have changed employers since reaching age 60,
- you have permanently retired since reaching your preservation age,
- you have ceased employment since reaching age 60,
- Catholic Super is satisfied you are permanently disabled, or
- you are eligible to receive a superannuation death benefit.

Your preservation age

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
On or after 1 July 1964	60

Minimum starting balance

To open an account, you need a minimum of $25,000. If you're transferring money from a super account in Catholic Super and plan to keep that account open, you'll need to leave a minimum balance of $6,000.

Transfer balance cap

The transfer balance cap is a government mandated limit on the total amount you can transfer into a tax-free income stream, such as Catholic Super Retirement Income.

If you start a tax-free income stream on or after 1 July 2023, your transfer balance cap is $1.9 million. However, if you had already started a tax-free income stream before that date, your cap will be lower.

You can find more information on the ATO website, **ato.gov.au**, and view your personal transfer balance cap online at myGov **my.gov.au**

How to open your account

Our team of Superannuation Specialists are skilled and qualified to provide you with general advice and can assist you with opening an account over the phone.

You can contact our Service Centre on **1300 655 002**, or book a time convenient to you on our website **csf.com.au/contact**

We'll walk you through the account opening process and provide you with the ability to review and confirm the account set up details after our phone call, allowing you time to reflect and consider your options. To complete the application, you'll need to provide us with two forms of ID, the details of your chosen bank account to receive your income payments, and the details of your current Catholic Super account. Depending on your circumstances, we may also ask for your tax file number (TFN) and the details of any other superannuation you hold outside of Catholic Super that you want to transfer to your new account.

If you don't wish to speak to one of our Superannuation Specialists, you can open an account directly on our website **csf.com.au/join**

Alternatively, you can complete and return these forms along with the required certified proof of identity and supporting documents:

- *Retirement Income application*
- *Roll your super into Catholic Super* (if you're rolling funds from another super fund into Catholic Super)
- *Tax file number declaration* (if you are under age 60)

You can change your mind

You have a 14-day cooling off period from the date we send you confirmation that your account has been opened to decide if this is the right choice for you.

If you close your account during this period, we will transfer any amounts we have received on your behalf, including money you have rolled in, adjusted for any fees, investment earnings or losses incurred during the period, to the super fund of your choosing or, if you're eligible, to you directly.

Getting advice

Opening a Catholic Super Retirement Income account is something you should consider carefully in the context of your overall financial strategy for your retirement. We recommend you obtain financial advice to ensure it is the right product for you.

If you would like to arrange to speak to a financial planner, please call **1800 065 753** or visit our website **csf.com.au** for further information.

Financial advice will be provided by Togethr Financial Planning Pty Ltd (ABN 84 124 491 078, AFSL 455010), trading as Catholic Super Financial Planning, a related entity of Togethr Trustees Pty Ltd.

Income payments

Choose how much your regular income payment is, and whether you want to receive it fortnightly, monthly, quarterly, half-yearly, or just once a year.

Choose how often you receive a payment

You can choose to have your income stream paid to you on a fortnightly, monthly, quarterly, half-yearly, or annual basis. We will make payments directly into your bank account by the due dates listed below, based on the payment frequency you've chosen.

- **Fortnightly:** every second Tuesday.
- **Monthly:** on the 28th of the month or the working day prior if the 28th is a weekend or public holiday.
- **Quarterly, half-yearly or annually:** your payments will be made three, six, or twelve months after the month you have nominated to receive your first payment. Payments will be made on the 28th of that month, or the working day prior if the 28th is a weekend or public holiday.

Your first income payment will be made in the payment cycle immediately after your account has been opened.

Choose the amount you receive

You can nominate an amount that you'd like to receive, or you can decide to just receive the minimum amount.

You can also make an additional lump sum withdrawal at any time in addition to your regular income payments. Lump sum withdrawals do not count towards your minimum income amount. However, to keep your account open, you need to leave a minimum balance of $6,000.

Minimum income amount

The minimum income amount you need to receive is calculated as a percentage of your account balance when your income payment starts and as at each subsequent 1 July. The minimum is based on your age, as shown below.

Age	Percentage of account balance
Under 65	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95 plus	14%

The minimum income you must receive is pro-rated if you open your account part way through a financial year. But if you open your account on or after 1 June, you don't need to receive a payment in the remainder of that financial year.

An example of the minimum income amount

Harry is 60 years old and has a balance of $400,000 in his retirement income account as of 1 July. So, the minimum amount he will receive from his account for the financial year is:

= $400,000 x 4%
= $16,000

Changing your income payments

You can change the amount of your income payments, or how often you receive them, at any time by logging into the members' area of our website **csf.com.au**, or by completing the *Change your details - Retirement Income and Transition to Retirement Income* form, available online or from our Service Centre on **1300 655 002**.

If you request an amount that is less than your minimum income amount, we'll adjust the amount to meet the minimum required by law.

If your account balance falls below $1,000

You will continue to receive income payments until your account balance falls below $1,000. At that point, we will pay the balance to you as a lump sum and you will not receive further payments.

Family Law and your super

Couples who divorce or separate can divide their super entitlements, including super and retirement income accounts, as part of their property settlements. These Family Law rules apply to legally married couples, couples registered under State or Territory law, and genuinely separated couples (including de facto couples).

We recommend you seek advice from a licensed financial planner before finalising an agreement involving your superannuation benefit, as there may be tax, social security and other financial implications arising from splitting your superannuation entitlements.

To request information on splitting superannuation assets, please contact our Service Centre on **1300 655 002**.

Investing your account

Catholic Super offers seven diversified options and four sector specific options, so you can choose the options that best suit you.

Investment principles

We have investment options to suit every stage of life, so you can make a decision that's best for you. Before you select any investment options, you need to consider your own needs and objectives, how long you have to invest, how much risk you are prepared to take, and ways you can minimise risk.

How long are you investing for?

It is important to consider how long you have to invest when setting your investment strategy. Factors to consider include when you plan to retire and how long you will need your retirement savings to last.

If you have longer investment timeframes, you may be able to tolerate negative returns in the short term to gain higher returns in the long term. Investing in higher risk assets, such as shares, can generally provide higher long-term returns. If you're getting closer to retirement, or are already using your super to fund your retirement, then you may have a shorter timeframe to recover from any significant fluctuations to the value of your investments.

How much risk are you comfortable with?

All investments involve some level of risk, including the risk that you'll experience negative returns or a loss of capital. Generally, growth assets such as shares and property are more volatile and their values may fluctuate widely, particularly over the short term. Defensive assets, such as fixed interest and cash, are generally less volatile and fluctuate less in value than growth assets.

Diversification

Diversification is a method of reducing investment risk. It means spreading your investments across asset classes.

Diversification can help reduce the risk of low or negative returns in any year because a poor result in a particular investment may be offset by a good result in another. It is important to understand that there is a level of risk with all investments, and you can never totally remove investment risk.

Your investment strategy

An important part of successful investing is to set a strategy for the long term and regularly monitor investment performance to ensure it is meeting your personal objectives. Before making any decisions about investing your money, you should seek advice from a licensed financial planner.

Your investment choice

We offer a range of diversified and sector specific options. You can choose any combination of these investment options.

The default investment strategy

If you do not indicate your investment preferences on your application form, we will invest your opening balance in our default investment strategy, Catholic Super MyPension.

Find out more about Catholic Super MyPension later in this PDS.

Diversified options

Our diversified options have a mix of asset allocations determined by us. You can choose more than one diversified option, or combine it with any of the sector specific options.

Sector specific options

If you prefer to invest solely in a particular asset class, or want to choose your own asset allocation to create a diversified portfolio, you can choose to invest in one or more of our sector specific options.

You can obtain the most recent investment returns and daily unit prices on **csf.com.au/investments** or request information from our Service Centre on **1300 655 002**.

Changing your investment options

You can switch your investments at any time by logging into the members' area of our website **csf.com.au**, by calling the Service Centre on **1300 655 002**, or by completing the *Change your investments - Retirement Income and Transition to Retirement Income* form. You can switch some or all of your account balance (by nominating percentages).

If we receive your request to switch your investments prior to 4pm AEST on a Melbourne business day, it will be effective using the unit prices for that day. If your request is received after 4pm on a Melbourne business day, or on a public holiday, or on a weekend, then the change will be effective the next business day.

Frequent switching between investment options and trying to second-guess the market can be risky. You should only switch after a thorough review of your long-term investment strategy. We recommend you obtain financial advice before making any decisions about switching between investment options.

Catholic Super MyPension

Catholic Super MyPension is an innovative, set-and-forget investment strategy designed to take the hard work out of investing your retirement savings.

How Catholic Super MyPension works

MyPension divides your money into three distinct investment options. We call these 'buckets'. When you choose MyPension, we'll put three years' worth of your chosen income into the Cash bucket, with the remaining balance split between the Capital Stable and Growth buckets. These investment options have been chosen to meet specific objectives, described below.

Buckets	Objective	What the money is used for
Cash	Starting with three years' worth of income, the money in this bucket is designed to meet your income needs over the short term (generally 2-3 years).	Your income is paid from this bucket.
Capital Stable	This bucket provides some stability over the medium to longer term, with the goal to generate income and some capital growth.	Any earnings in this bucket will top up the Cash bucket. Any lump sum withdrawals are drawn in equal amounts from the Capital Stable and Growth buckets.
Growth	This bucket is designed for your savings to grow and make them last as long as possible. Returns may fluctuate more over shorter time frames than the other buckets, but this bucket is expected to produce higher returns over the long term.	Any earnings in this bucket will top up the Cash bucket. Any lump sum withdrawals are drawn in equal amounts from the Growth and Capital Stable buckets.

Who should consider Catholic Super MyPension

We've designed MyPension for anyone who wants a simple way to make investment choices for retirement. We manage your money for you, with the goal of making your retirement assets last as long as possible.

Example

Elizabeth is 60 years of age with an initial account balance of $300,000. Elizabeth wants to receive 4% of her initial account balance ($12,000) as her regular income. When she selects the MyPension strategy, her account balance will be invested as follows:

Cash	Capital Stable	Growth
3 x $12,000	($300,000 - $36,000) ÷ 2	($300,000 - $36,000) ÷ 2
= $36,000	= $132,000	= $132,000

Automatic rebalancing

In April and October each year, we review your three buckets and rebalance your overall portfolio with the objective of maintaining a minimum of two years' worth of payments in your Cash bucket. Here's how your account will be rebalanced, depending on your Cash balance.

If your Cash balance is less than 2 years' worth of payments	We'll move the positive earnings in your other two buckets into the Cash bucket. Then, if the balance of your Cash bucket is still less than the 2 years' payment requirements, we'll take equal amounts from your Capital Stable and Growth buckets, irrespective of earnings, to replenish your Cash bucket.
If your Cash balance is between 2 and 5 years' worth of payments	We'll move the positive earnings from the Capital Stable and Growth buckets into your Cash bucket. If moving the positive earnings will put you over 5 years' worth of payments, we'll only move enough positive earnings from the Capital Stable and Growth buckets into your Cash bucket to bring you up to 5 years' worth of payments. If both options have experienced negative returns, then they'll remain untouched.
If your Cash balance is more than 5 years' worth of payments	Any balance in your Cash bucket above five years' worth of payments will be moved back into the Capital Stable and Growth buckets in equal amounts.

If you change your investment options

If you do decide to switch any of your investments out of Catholic Super MyPension, you will be responsible for managing your investment strategy moving forward and we will stop automatically rebalancing your account.

Your income payment drawdown options

When you choose more than one investment option, you can decide whether you would also like to nominate how we draw down on your investment options to pay your income amount.

If you don't nominate a specific percentage for the drawdown from each of your investment options, then we'll drawdown from each investment option in proportion to the balance in each option at the time we process your payment. This means that if, at the time of payment, 40% of your balance is invested in Balanced Growth and 60% in Capital Stable, we would draw 40% of your income payment from Balanced Growth and 60% from Capital Stable.

After an investment switch, we will deduct your income payments from each of your investments proportionally, unless you specifically instruct us otherwise.

Changing your drawdown options

You can switch your drawdown options at any time by logging into the members' area of our website **csf.com.au** or by completing the *Change your investments - Retirement Income and Transition to Retirement Income* form available online or from our Service Centre on **1300 655 002**.

Unit prices

When you invest with Catholic Super, your money buys units in your nominated or default investment options. When you exit from Catholic Super, your units are sold at the latest unit prices available on the date your transaction is processed.

Unit prices go up and down according to investment performance and the unit price of an investment option will fluctuate to reflect investment earnings (which can be positive and/or negative) and deductions for investment fees, costs and taxes. These movements are ultimately reflected in your account balance.

Our latest unit prices are usually updated on our website by 10am on the second business day after the business day on which they are calculated. Unit prices are not calculated for weekends or Melbourne public holidays.

The publication of unit prices might be delayed as a consequence of abnormal market conditions or system failures. In such circumstances, Catholic Super will use its best endeavours to publish unit prices as soon as possible.

Unit prices are calculated after an estimate of investment fees and taxes are taken out. These estimates will be adjusted as information becomes available for the calculation of future prices.

What happens if we can't allocate the money we receive right away?

There may be rare instances when we are unable to allocate contributions or transfers in. This could be due to insufficient information received, or there may be a requirement you have not met.

When this happens, we do our best to contact you to find out any additional information we require. You will only start receiving investment returns once the money has been allocated to your account and units have been purchased.

If we cannot accept or allocate the money we received, we will return the amount without interest.

Interest earned on any unallocated money will be transferred to the Fund's administration reserve. This reserve is used to pay administration expenses and trustee reimbursed administration expenses incurred for the benefit of members.

What happens if we make a mistake when calculating unit prices

While unlikely, and although we have controls in place to check for unit pricing errors, occasionally they may occur. Catholic Super follows industry practice if an error is made. Interested members can view the FSC Guidance Note 51 Errors in Pricing/Crediting Rates when Determining Scheme Interests - Correction and Compensation, on the Financial Services Council website at **fsc.org.au**

Managing your investments

Catholic Super's Investment Committee, comprised of directors and external advisors, sets the investment strategy and manages our investments.

External investment managers are used to provide members with the advantages of different investment management styles.

Different styles enable us to identify and take advantage of diverse opportunities with the potential to enhance returns to members and to manage risk.

You can find a list of our current investment managers on our website **csf.com.au**

Understanding each investment option

Asset classes

Shares

Shares, sometimes called equities, are part ownership of a company and are usually bought and sold on a stock exchange, such as the Australian Stock Exchange (ASX), or various stock exchanges overseas. Shares allow you to invest in companies of all sizes across a variety of industries, both within Australia and overseas. For Australian shares, franking credits are included in any investment returns.

Property

Property includes commercial, retail, and industrial properties such as office buildings, shopping centres, and factories. It also includes property trusts, which may be listed on stock exchanges (listed property) or not (unlisted property), both within Australia and overseas. Generally, our property investments are in the form of trusts rather than direct property investment.

Infrastructure

Infrastructure includes a broad range of assets, such as toll roads, airports, water utilities, power generation facilities, pipelines, schools, and health care facilities, to name a few. We may invest in infrastructure directly or through infrastructure trusts, which may be listed on a stock exchange, both within Australia and overseas.

Alternatives

Alternative assets cover a broad spectrum of potential investments that allow investment managers to take advantage of special opportunities in global markets. For example, this may include investments in private equity, multi-asset portfolios, and hedge funds.

Alternative fixed interest

Alternative fixed interest investments include lower rated credit investments such as high yield bonds or bank loans in either public or private markets. Lower risk hedge fund strategies may also be included.

Traditional fixed interest

Traditional fixed interest includes Australian and overseas bonds and securities, issued by federal and state governments and some companies, that generally operate like a loan with the regular interest payments acting as income. It may also include indexed bonds, which have returns that are indexed each year by the amount of inflation.

Cash

Cash investments include Australian cash, bank bills, and term deposits.

Benchmark allocations and permitted ranges

The pie charts shown on the next pages for each of the diversified options set out the strategic asset allocation. The actual asset allocation may vary from the strategic asset allocation shown, within the permitted ranges, from time to time depending on market movements, cash flows, and tactical investment decisions.

Comparing performance

The most recent investment returns, daily unit prices and information on our portfolio holdings can be obtained from our website, or by calling our Service Centre on **1300 655 002**. Investment performance for your account is net of tax, investment expenses and other indirect investment costs.

You can use this information to compare Catholic Super's investment performance against other funds. If you are comparing our performance with other funds, it is important to ensure you take into account the underlying asset allocations, the investment related tax expenses/benefits and the objectives and management styles for the investment options you are comparing. Any variation in these factors can result in significant differences in the performance of the investment options you are considering.

You should also be aware that past performance is no guarantee of future performance.

Investment objectives

The investment objectives for the diversified investment options aim to earn investment returns higher than the inflation rate. Inflation is measured by the Consumer Price Index (CPI) published by the Australian Bureau of Statistics (ABS), which indicates the average change in prices paid for a 'basket' of goods and services.

The investment objectives are not forecasts or predictions. They simply represent a benchmark against which Catholic Super monitors performance.

Standard risk measure

Each investment option has a standard risk measure. The standard risk measure allows you to compare investment options and to understand any expected negative annual returns over any 20-year period.

The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. It is based on predictions of the future economic environment, which may change over time. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Risk band	Risk label	Estimated number of years of negative returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

Approach to responsible investment

The following sets out how Environmental, Social and Governance (ESG) factors are taken into account in selecting, retaining and realising investments made by Catholic Super.

Other than as stated below, Catholic Super does not have a set approach or timeframe within which we may monitor and review an investment's approach to the consideration of the ESG factors. How we deal with lack of adherence to these standards and considerations is also determined on a case-by-case basis.

The ESG factors include:

- **Environmental:** In addition to wider concern on general environmental issues such as environmental degradation and natural resource use, there is increasing recognition of the threat of climate change to the stability of the global economic and financial system. These risks need to be managed and new opportunities captured as the world transitions to a low carbon economy.
- **Social:** The way in which companies and enterprises manage their operations with respect to labour market practices, work health and safety, product liability and supply chain management (including modern slavery) can pose investment risk.
- **Governance:** Governance risks are a long-term threat to investor value and consider such things as board composition, director incentives and general remuneration, diversity and inclusion, and ESG oversight. These risks can be present in nearly all asset classes, including equity, corporate debt, property and infrastructure investments.

Other than as outlined for the Future Focus investment option, the Fund's responsible strategy is not seeking to take a moral or ethical position in the assessment of investments.

For investments in the following investment options: Growth Plus, Growth, Balanced Growth, Balanced, Capital Stable, Australian Shares, Overseas Shares and Diversified Fixed Interest

Catholic Super believes that incorporation of ESG factors into its investment decision making is an essential component in meeting fiduciary obligations to members.

We take an integrated approach to the consideration of ESG factors across all asset classes (with the exception of the cash asset class), as relevant to the investment type and decision including risk and return considerations.

In selecting investment managers, Catholic Super is mindful of the general risk characteristics of each asset class and of the investment styles or approaches of each of the managers that it appoints. As part of the manager appointment and review processes, we will assess information on manager approaches to ESG integration and active ownership. The level of ESG integration included in an investment manager's strategy and the individual investment manager's capabilities are factors we consider as part of our investment manager selection process. Once appointed, we may monitor how asset managers integrate ESG and sustainability considerations across portfolio assets and their stewardship activities.

As active owners, we use our ownership rights to engage with investee assets and companies as well as with our investment managers, regarding governance, policies and management practices in order to promote sound investment outcomes.

Due to the number and diversity of assets in our portfolio, the majority of engagement activities are undertaken by our investment managers, on behalf of Catholic Super. For some listed shares and corporate fixed interest investments, engagement is also undertaken through industry initiatives and service provider partners. From time to time, we may also undertake direct engagement with corporate entities in which the Fund has invested or may become invested.

For investments in listed shares, we may also have the opportunity to vote, for example at company meetings. Exercising voting rights is an important tool for encouraging responsible corporate behaviour and expressing views regarding a company's strategy, leadership, remuneration and ESG practices and disclosure. More information is provided in the Fund's *Responsible Investment Policy*, which is available on our website.

Catholic Super is committed to practising active ownership through engagement and by working with investment managers to ensure voting rights are exercised appropriately. Our preferred approach is not to exclude particular companies or industries, but rather to use engagement and proxy voting to influence the behaviour of companies.

In exceptional circumstances, we may consider excluding certain securities or industries, where activity undertaken poses an ESG risk that may have a material impact on the Fund's investment performance[1], or on the sustainability of member outcomes[2] that are unable to be adequately managed through ESG integration.

These exclusions apply to directly held Australian and Overseas shares in investment mandates and corporate issuances directly held within traditional fixed income investment mandates, where we have an investment management agreement with the investment manager (referred to as listed equity and corporate fixed income ongoing)[3].

Prior to exclusions being exercised, consideration is given to:

- the ability to manage the risk through asset stewardship, including engagement with the board and/or management of companies determined to be exposed to the ESG risk.
- the ability for exclusion of the activity to address the material impact on the Fund's investment performance[1] or on the sustainability of member outcomes[2]; and
- the impact of exclusions on the investment option's ability to meet investment objectives.

1 Material impact on investment performance means a real or potential measurable negative impact on absolute, peer relative and/or benchmark relative investment performance.

2 Material impact on sustainability of member outcomes means a real or potential negative impact on the Fund's reputation such that it could lead to measurable reductions in accounts growth, negative cashflow impacts or net increases in members leaving the Fund.

3 This does not apply to exposure to shares and corporate fixed income instruments (and derivatives thereof) that may be held in other asset classes such as Alternatives that may have a direct or indirect exposure to activities outlined for exclusion.

As a minimum, the listed equity and corporate fixed income portions of these investment options seek to exclude:

- Tobacco & tobacco-related products: Companies that derive greater than 5% of their revenue[4] from the production of tobacco products (for example cigarettes, cigars, tobacco).
- Controversial weapons: Companies that derive greater than 5% of their revenue[4] from the manufacture and/or production of the core weapon system, or components/services of the core weapon system, that are considered tailor-made and essential for the lethal use of chemical weapons, biological weapons, cluster munitions and landmines. This does not include nuclear weapons.
- Thermal coal: Companies that derive greater than 10% of their revenue[4] from coal extraction for energy production (thermal coal mining).

Once instructed by Catholic Super, investment managers are expected to sell down the investment within a reasonable period and as market conditions allow. Catholic Super conducts periodic updates and verifications of the exclusions. However, in limited circumstances, the Fund may have exposure to a company or security that meets an exclusion criteria outlined, for example:

- where a manager is in the process of selling down a security, and/or is unable to do so due to a trading halt or other circumstances that impact disposal or liquidity, or
- where there is a change in data or calculation methodologies, including a change in revenue over the reporting period.

The activities that may be excluded can change from time to time[5]. More information is provided in the Fund's *Responsible Investment Policy*, which is available on our website.

Exclusions do not generally apply to asset classes other than those outlined above or to investments in pooled vehicles (for example unit trusts).

For investments in the following investment options: Index Diversified and Cash

Whilst the underlying investment managers may have various policies regarding the extent to which they take into account labour standards or environmental, social or ethical considerations when investing, due to the nature of these options, Catholic Super has not taken these factors into consideration in selecting investment managers for the investment options listed above.

For investments in the Future Focus option

The Future Focus option seeks to provide members with higher exposure (compared to the other options available on the investment menu) to investments selected by the Fund's investment managers, based on alignment to certain ESG criteria.

This option invests mainly in growth assets such as shares, property and infrastructure, with the balance invested in more stable assets like fixed interest and other defensive assets.

The portfolio of this option is allocated across a number of investment managers and asset classes. Specific sustainability criteria are set by the investment managers for each asset class, other than the cash and property asset classes. For example, some asset classes have limitations on exposure to certain activities, companies or assets based on their potential to contribute adversely to environmental or social issues. Other asset classes seek to prioritise investments in activities, companies or assets that may contribute to improvements of certain environmental or social issues over the long term.

Detail on the criteria for each asset class is set out in the *Future Focus* factsheet, which is available on the Fund's website.

As a minimum, the listed equity and corporate fixed income portions of this investment option seek to exclude companies that generate greater than:

- 5% of their revenue[4] from:
  - the production of tobacco products (for example cigarettes, cigars, tobacco)
  - the manufacture and/or production of the core weapon system, or components/services of the core weapon system, that are considered tailor-made and essential for the lethal use of chemical weapons, biological weapons, cluster munitions and landmines.
- 10% of their revenue[4] from coal extraction for energy production (thermal coal mining), or the exploration and production of oil and gas.

This investment option invests a minimum of 20% of the portfolio in listed equities.

The various asset classes may have other investment restrictions applied based on ESG grounds.

Overall, this option seeks to limit exposure (to a greater extent than the other options available on the investment menu) to companies and assets that may contribute adversely to certain environmental or social issues.

4 Revenue refers to the income derived by a company from the relevant activity in a fiscal year. A company's revenue-based involvement is assessed based on either: actual revenues or percentage of revenues derived from the relevant area of involvement reported by the company; or, where a company does not report this information, an estimate of the revenue based on, for example, a review of business segment revenues, sales data and/or quantity and quality of disclosed product information.

5 Information used to exercise exclusions is provided by specialist third party research provider/s and/or underlying investment managers and some definitions and methodologies may differ across various research providers.

Diversified options

Growth Plus

Invests primarily in Australian and overseas shares, while providing some exposure to property, infrastructure and alternative assets. These are growth investments, with the property, infrastructure and alternative allocations providing some diversification from shares.

Who this option is designed for

This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential to provide higher returns, but also increases the risk of a negative return.

Investment objective

Achieve a net return of at least 4.25% p.a. above CPI over rolling 10-year periods.

Minimum investment timeframe

The minimum suggested timeframe to invest is 10 years.

Standard risk measure

The risk level of this option is high, with a likelihood of negative returns occurring 4.7 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Australian shares	38	25-53
Overseas shares	44	30-58
Property	6	0-13
Infrastructure	6	0-13
Alternatives	4	0-15
Alternative fixed interest	0	0-10
Traditional fixed interest	0	0-10
Cash	2	0-10
Growth / Defensive	**93 / 7**	

Growth*

Invests primarily in Australian and overseas shares, while providing some exposure to property, infrastructure and alternative assets. These are mostly growth investments, with small allocations to defensive assets, such as fixed interest and cash, providing some diversification.

Who this option is designed for

This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential to provide higher returns, but also increases the risk of a negative return.

Investment objective

Achieve a net return of at least 4% p.a. above CPI over rolling 10-year periods.

Minimum investment timeframe

The minimum suggested timeframe to invest is 10 years.

Standard risk measure

The risk level of this option is high, with a likelihood of negative returns occurring 4.4 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Australian shares	33	20-55
Overseas shares	38	25-60
Property	5	0-15
Infrastructure	6	0-20
Alternatives	5	0-20
Alternative fixed interest	6	0-15
Traditional fixed interest	4	0-15
Cash	3	0-15
Growth / Defensive	**82 / 18**	

* This option is used within the Catholic Super MyPension strategy

Balanced Growth

Invests mainly in growth assets such as shares, property and infrastructure, which are expected to earn higher returns over the long term, with the balance invested in more stable assets like fixed interest securities and other defensive assets.

Who this option is designed for

This option is designed for members who want a balance between risk and return, but who are prepared to accept an asset allocation weighted towards growth assets.

Investment objective

Achieve a net return of at least 3.5% p.a. above CPI over rolling 10-year periods.

Minimum investment timeframe

The minimum suggested timeframe to invest is 10 years.

Standard risk measure

The risk level of this option is medium to high, with a likelihood of negative returns occurring 3.7 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Australian shares	25	10-45
Overseas shares	30	5-45
Property	7	0-20
Infrastructure	9	0-20
Alternatives	5	0-20
Alternative fixed interest	7	0-20
Traditional fixed interest	12	0-30
Cash	5	0-15
Growth / Defensive	**70 / 30**	

Balanced

Provides an even distribution between growth and defensive assets. The aim is to provide capital growth with reduced volatility.

Who this option is designed for

This option is designed for members who want a balance between risk and return.

Investment objective

Achieve a net return of at least 2.5% p.a. above CPI over rolling 10-year periods.

Minimum investment timeframe

The minimum suggested timeframe to invest is 10 years.

Standard risk measure

The risk level of this option is medium to high, with a likelihood of negative returns occurring 3.2 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Australian shares	19	5-40
Overseas shares	22	5-45
Property	6	0-20
Infrastructure	6	0-20
Alternatives	4	0-20
Alternative fixed interest	14	0-30
Traditional fixed interest	15	0-30
Cash	14	0-20
Growth / Defensive	**52 / 48**	

Capital Stable*

Invests mainly in fixed interest securities and cash, which are expected to deliver stable but low returns over the long term, with the balance invested in shares and other growth assets.

Who this option is designed for

This option is designed for members who wish to select a lower returning asset allocation in exchange for more stability and security.

Investment objective

Achieve a net return of at least 2% p.a. above CPI over rolling 10-year periods.

Minimum investment timeframe

The minimum suggested timeframe to invest is 10 years.

Standard risk measure

The risk level of this option is low to medium, with a likelihood of negative returns occurring 1.8 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Australian shares	10	0-25
Overseas shares	12	0-20
Property	7	0-25
Infrastructure	8	0-15
Alternatives	4	0-20
Alternative fixed interest	14	5-40
Traditional fixed interest	31	10-45
Cash	14	5-35
Growth / Defensive	**35 / 65**	

* This option is used within the Catholic Super MyPension strategy

Future Focus

Invests mainly in growth assets such as shares, property and infrastructure, with the balance invested in more stable assets like fixed interest and other defensive assets. ESG (Environmental, Social, Governance) factors are considered when making investment decisions. See 'Future Focus' earlier in this PDS for more details.

Who this option is designed for

This option is designed for members seeking a diversified investment aligned with a balance between risk and return, and some consideration of ESG factors, but who are prepared to accept a weighting towards growth assets. Some investments will be subject to screens or tilts aligned with the overall philosophy of the option.

Investment objective

Achieve a net return of at least 3.5% p.a. above CPI over rolling 10-year periods.

Minimum investment timeframe

The minimum suggested timeframe to invest is 10 years.

Standard risk measure

The risk level of this option is medium to high, with a likelihood of negative returns occurring 3.2 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Australian shares	15	5-30
Overseas shares	33	15-50
Property	10	0-30
Infrastructure	15	0-30
Alternatives	6	0-20
Alternative fixed interest	0	0-20
Traditional fixed interest	15	0-30
Cash	6	0-30
Growth / Defensive	**70 / 30**	

Index Diversified

Invests mainly in growth assets such as indexed shares, which are expected to earn higher returns in the long term, with the balance invested in more stable assets like indexed fixed interest securities and cash.

Who this option is designed for

This option is designed for members who want a low-cost, diversified, passively managed investment option with a balance between risk and return, but who are prepared to accept an asset allocation weighted towards growth assets. Fees will be lower than other comparable actively managed investment options, but so are expected returns.

Investment objective

Achieve a net return of at least 3% p.a. above CPI over rolling 10-year periods.

Minimum investment timeframe

The minimum suggested timeframe to invest is 10 years.

Standard risk measure

The risk level of this option is high, with a likelihood of negative returns occurring 4.5 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Australian shares	30	10-50
Overseas shares	40	10-50
Property	0	0
Infrastructure	0	0
Alternatives	0	0
Alternative fixed interest	0	0
Traditional fixed interest	25	0-40
Cash	5	0-30
Growth / Defensive	**70 / 30**	

Sector specific options

Australian Shares

Invests in companies usually listed or expected to list on the Australian Stock Exchange (ASX). May hold small allocations to global companies from time to time.

Who this option is designed for

This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential to provide higher returns, but also increases the risk of a negative return.

Investment objective

Outperform the S&P/ASX 300 Accumulation Index over rolling 5-year periods, adjusted for any applicable tax.

Minimum investment timeframe

The minimum suggested timeframe to invest is 5 years.

Standard risk measure

The risk level of this option is high, with a likelihood of negative returns occurring 5.8 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Australian shares	100	85-100
Cash	0	0-15

Overseas Shares

Invests in companies usually listed or expected to list on one or more overseas stock exchanges. May hold small allocations to Australian companies from time to time.

Who this option is designed for

This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential to provide higher returns, but also increases the risk of a negative return.

Investment objective

Outperform the MSCI All Country World Index ex Australia (70% unhedged / 30% hedged) over rolling 5-year periods, adjusted for any applicable tax.

Minimum investment timeframe

The minimum suggested timeframe to invest is 5 years.

Standard risk measure

The risk level of this option is high, with a likelihood of negative returns occurring 5.3 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Overseas shares	100	85-100
Cash	0	0-15

Diversified Fixed Interest

Invests in interest bearing bonds and some indexed bonds in Australia and overseas. Investments are made into government and corporate debt securities both above and below investment grade. Investments may also include lower risk alternative strategies and cash.

Who this option is designed for

This option is designed for members who wish to select a relatively defensive asset allocation with more stability and security than more aggressive asset allocation. This option is expected to generate modest returns over time, with a small but not zero chance of negative return in any 12-month period, and is considered to be more aggressive than Cash.

Investment objective

Outperform its benchmark, a mix of the Bloomberg AusBond All Maturities Composite Bond Index (50%) and the Bloomberg Barclays Global Aggregate Index (50%), hedged to Australian dollars, over rolling 5-year periods, adjusted for any applicable tax.

Minimum investment timeframe

The minimum suggested timeframe to invest is 5 years.

Standard risk measure

The risk level of this option is low to medium, with a likelihood of negative returns occurring 1.9 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Alternative fixed interest	0	0-60
Traditional fixed interest	100	40-100
Cash	0	0-30

Cash*

Invests in money market securities, such as bank term deposits, bank bills and other liquid cash securities.

Who this option is designed for

This option is designed for members who wish to select a very defensive asset allocation with a low, but not zero, chance of a negative return with a stable but lower returns over the long term.

Investment objective

Outperform the Bloomberg AusBond Bank Bill Index over a year, adjusted for any applicable tax.

Minimum investment timeframe

There is no minimum period suggested for holding this option.

Standard risk measure

The risk level of this option is very low, with a likelihood of negative returns occurring 0 years in a 20-year period.

Strategic asset allocation and ranges

Asset class	SAA %	Permitted range %
Cash	100	100

* This option is used within the Catholic Super MyPension strategy

Balancing risk and return

A licensed financial planner can assist you to identify your goals and determine the right balance of risk and return for your personal circumstances.

There is risk associated with any investment, but some asset classes have historically proven to be less volatile. This means they are less prone to fluctuate up and down than other investment options.

Risks

There is risk that investment returns are not what you expect and may be negative. Levels of investment risk are linked to the asset classes in which you have invested and a host of external factors such as investment market fluctuations, political and economic changes, natural disasters, pandemics and man-made influences such as outbreaks of war or terrorist acts.

Clearly, there is little you can do about external forces affecting your investments, but you can strongly influence outcomes through your choice of investment options.

As a rule of thumb, some growth investments that carry a greater risk may deliver higher returns over the long term. However, they can also produce negative results, particularly over shorter terms. As such, extended investment periods may be appropriate for investors with significant exposure to shares and property.

Returns

We present investment earnings as net returns in our reports. This is the return after tax and investment fees are accounted for. When you compare Catholic Super with other funds, you should ensure that their returns are after tax and investment fees are taken out.

The risk and return for diversified and sector specific options

For diversified options, you should consider the relative influence of the predominant asset classes in which they are invested. For example, in Balanced Growth, the risk is primarily influenced by the growth assets, shares and property.

When you invest in sector specific options, you are exposed to the performance of specific asset classes. If you choose sector specific options, we suggest that you consider diversifying your investment and spreading your risk. You should review your asset allocation at least once a year to ensure it is still consistent with your objectives.

To help you understand more about the asset classes available to you through Catholic Super and the risks associated with them, we suggest you read the information in this guide.

Get advice

Everyone's tolerance to risk is different and often changes as we progress through life. If you are unfamiliar with the behaviour of investment markets and the economic influences on them, you should seek the advice of a licensed financial planner.

A licensed financial planner can assist you to identify your goals and determine the right balance of risk and return for you in the context of your personal circumstances and goals.

Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (**moneysmart.gov.au**) has a superannuation calculator to help you check out different fee options.

The statement above is prescribed by law. Please note that our fees and costs are not negotiable.

This section shows the fees and costs that you may be charged. These fees and other costs may be deducted directly from your money, from the returns on your investment or from the assets of the superannuation entity as a whole. Other fees, such as activity fees or advice fees for personal advice, may also be charged, but these will depend on the nature of the activity and advice chosen by you. Taxes are set out in another part of this document. Fees and costs for particular investment options are set out in this section.

You should read all relevant information about fees and costs because it is important to understand their impact on your investments.

Fees and costs summary

Catholic Super Retirement Income

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs[1]		
Administration fees and costs	$1 per week, **plus**	This fee will be deducted from your account effective on the last day of each month.
	0.19% p.a.	This fee is capped at $950 p.a. and deducted from your account effective on the last day of every month.
	Nil[2]	Administration costs paid from reserves, that are not otherwise charged as administration fees. These costs are not directly charged to your account, but have reduced the reserve balance held by the Fund to cover future administration costs.
Investment fees and costs[2, 3]	Estimated to range from 0.04% to 0.63% p.a. depending on your investment options	Investment fees are deducted from the underlying asset value and reflected in the daily unit prices applied to your account. The fee depends on the investment option which applies to you.
Transaction costs[2]	Estimated to range from 0.00% to 0.38% p.a. depending on your investment options	Transaction costs are deducted from the underlying asset value and reflected in the daily unit prices applied to your account. The estimate is based on the financial year ending 30 June 2024.
Member activity related fees and costs		
Buy-sell spread fee	Nil	Not applicable
Switching fee	Nil	Not applicable
Other fees and costs	Refer to *Additional explanation of fees and costs.*	

1 If your account balance is less than $6,000 at the end of the income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded to you.

2 These amounts are calculated based wholly or in part on previous financial year(s). The actual amount will change from year to year and may be more or less than the amount shown. More details are set out under *Additional explanation of fees and costs.*

3 Investment fees and costs include an amount of 0.00% to 0.03% for estimated performance fees. The calculation basis for this amount is set out under *Additional explanation of fees and costs.*

Example of annual fees and costs

This table gives an example of how the ongoing fees and costs for the Growth option can affect your investment over a one-year period. You should use this table to compare this product with other products.

Example - Growth option		Balance of $50,000
Administration fees and costs	$1 per week **plus** 0.19%	For every $50,000 you have in the Growth option, you will be charged or have deducted from your account $95 in administration fees and costs, **plus** $52 regardless of your balance
PLUS investment fees and costs	0.51%	**And,** you will be charged or have deducted from your investment $255 each year in investment fees and costs
PLUS transaction costs	0.11%	**And,** you will be charged or have deducted from your investment $55 each year in transaction costs
EQUALS cost of product	**$457**	If your balance was $50,000 at the beginning of the year, then for that year you will be charged fees and costs of **$457** for the superannuation product.

Cost of product information

Cost of product for one year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a one-year period for all superannuation products and investment options. It is calculated in the manner shown in the *Example of annual fees and costs.*

The cost of product information assumes a balance of $50,000 at the beginning of the year. Additional fees such as a buy-sell spread may apply - refer to *Additional explanation of fees and costs* for the relevant superannuation product or investment option.

You should use this figure to help compare superannuation products and investment options.

Investment option	Cost of product
Diversified options	
Growth Plus	$482
Growth	$457
Balanced Growth	$457
Balanced	$407
Capital Stable	$382
Future Focus	$652
Index Diversified	$197
Sector specific options	
Australian Shares	$412
Overseas Shares	$402
Diversified Fixed Interest	$237
Cash	$167

Additional explanation of fees and costs

Estimated fees and costs for each investment option

This table gives a detailed explanation of the total estimated fees and costs for each investment option. The total investment fee shown is estimated for the financial year from 1 July 2024, while the transaction cost shown is an estimate based on the financial year ending 30 June 2024.

The performance fees are based on 5-year averages and are indicative only. The actual performance fee for each investment option will vary from year to year.

Investment option	Investment fees and costs	Estimated performance fee	Total estimated investment fees and costs	Transaction costs
Diversified options				
Growth Plus	0.53%	0.03%	0.56%	0.11%
Growth	0.48%	0.03%	0.51%	0.11%
Balanced Growth	0.49%	0.02%	0.51%	0.11%
Balanced	0.40%	0.02%	0.42%	0.10%
Capital Stable	0.35%	0.02%	0.37%	0.10%
Future Focus	0.63%	0.00%	0.63%	0.38%
Index Diversified	0.05%	0.00%	0.05%	0.05%
Sector specific options				
Australian Shares	0.43%	0.02%	0.45%	0.08%
Overseas Shares	0.42%	0.02%	0.44%	0.07%
Diversified Fixed Interest	0.14%	0.00%	0.14%	0.04%
Cash	0.04%	0.00%	0.04%	0.00%

Trustee fee

The trustee may be paid a trustee fee to allow for certain costs incurred in its role as trustee of Catholic Super. The trustee fee is not an additional fee charged to you, as it is paid from the Fund's administration reserve. The Fund's administration reserve is built from the administration fees and costs already charged to you, as set out in the *Fees and costs summary* above. You can find more information about the trustee fee in the trust deed, which is available on our website.

In the first quarter of each calendar year, we'll update our website with the details of any trustee fee paid to the trustee by the Fund in the previous calendar year.

Changes to fees and costs

The fees and costs for Catholic Super may change in the future. We can vary the fees without your consent, but we'll give you 30 days notice of any material increase in the fees that are charged directly to you.

Tax

You can find more information about tax in this PDS.

Other levies

At times, government bodies charge superannuation funds levies to recover the cost of superannuation related projects they undertook. Catholic Super may choose to pass these costs on to members in proportion to their account balance.

Defined fees

Activity fees

A fee is an activity fee if:

1 the fee relates to costs incurred by the trustee of a superannuation entity that are directly related to an activity of the trustee:
   - that is engaged in at the request, or with the consent, of a member; or
   - that relates to a member and is required by law; and

2 those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee, or an insurance fee.

Some super funds may apply a fee if you make a contribution splitting request, family law information request or a family law account split request. **Catholic Super does not charge any activity fees.**

Administration fees and costs

Administration fees and costs are fees and costs that relate to the administration or operation of the superannuation entity and include costs incurred by the trustee of the entity that:

1 relate to the administration or operation of the entity; and

2 are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee, or an insurance fee.

Administration fees and costs help cover the cost of running a superannuation fund.

Catholic Super charges an administration fee of $1 per week, plus 0.19% p.a. of your account balance (up to a maximum of $950).

Advice fees

A fee is an advice fee if:

1 the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
   - a trustee of the entity; or
   - another person acting as an employee of, or under an arrangement with, the trustee of the entity; and

2 those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee, or an insurance fee.

We offer a range of general advice and educational services, giving members the opportunity to receive general advice about Catholic Super, issues relating to super, investment options, retirement planning, and related matters such as social security and estate planning. These services are offered over the phone, face-to-face, and through seminars and online tools. This advice is provided at no additional cost.

Limited advice

Members can access personal advice relating to their interest in the fund through through our licensed financial services company, Catholic Super Financial Planning[6], in limited circumstances. There is generally no cost for this advice although fees may apply if you use this service frequently. You'll be advised if this is to occur.

Comprehensive advice

You can also receive comprehensive advice on a fee-for-service basis, provided by Catholic Super Financial Planning.

Visit our website **csf.com.au** or call us on **1800 065 753** for more information.

Buy-sell spreads

A buy-sell spread is a fee to recover costs incurred by the trustee of a superannuation entity in relation to the sale and purchase of assets of the entity.

Some super funds may charge a buy-sell spread to recover the cost of buying and selling various investments when you change your investment options. **Catholic Super does not charge a buy-sell spread to your account.**

Exit fees

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

Catholic Super does not charge an exit fee.

6 Financial advice is provided by Togethr Financial Planning Pty Ltd (ABN 84 124 491 078, AFSL 455010) trading as Catholic Super Financial Planning, a related entity of Togethr Trustees Pty Ltd.

Investment fees and costs

Investment fees and costs are fees and costs that relate to the investment of the assets of a superannuation entity and include:

1 fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
2 costs incurred by the trustee of the entity that:
   - relate to the investment of assets of the entity; and
   - are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee, or an insurance fee.

Investment fees and costs cover the costs associated with investing, including the fees paid to external managers and custodians. They are not deducted from your account directly, but are deducted from the underlying asset value and are reflected in the daily unit prices.

Performance-related fees

Any performance fees that Catholic Super pays directly to an investment manager are paid only if the manager outperforms its benchmarks by a certain hurdle rate. If the manager exceeds the hurdle, we will apportion the amount of the fee payments to the unit prices of those investment options to which the fee relates. Unit prices will be adjusted monthly to reflect actual performance payments to external managers.

Performance fees cannot be known precisely in any given year, since the managers' outperformance cannot be anticipated. Performance fees disclosed in this guide are based on a 5-year average.

Switching fees

A switching fee for a superannuation product is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

Some super funds may charge you a fee when you change your investment options. **Catholic Super does not charge a fee to switch your investment options.**

Transaction costs

Transaction costs are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.

Transaction costs are incurred when assets are bought and sold. They are not deducted from your account directly, but are deducted from the underlying asset value and are reflected in the daily unit prices.

The transaction costs for each investment option are shown in the *Estimated fees and costs for each investment option* table earlier in this document.

Nominating your beneficiaries

Planning for the future

There are a few different ways to let us know what to do with your account when you die. You can nominate a:

- binding beneficiary or beneficiaries, or
- reversionary beneficiary, or
- non-binding beneficiary or beneficiaries.

If you don't make a reversionary or binding death benefit nomination, or if your nomination is invalid, Catholic Super will make the decision about how to distribute your benefit, but will take into account any non-binding beneficiary nomination you've made.

If you die

A dependant includes:

- your spouse (including a person who is legally married to you, a person with whom you have a relationship registered under State or Territory law or a person with whom you live on a genuine domestic basis in a relationship as a couple); or
- your children (of any age including natural, adopted, step or ex- nuptial children and children of your spouse); or
- a person whether related to you or not, who in the opinion of Catholic Super, is or was at any relevant time wholly or partially financially dependent on you; or
- a person in an interdependency relationship with you.

An interdependency relationship is:

- a close personal relationship where two people live together, and one or each of you provide the other with financial support, and domestic support or personal care; or
- a close personal relationship exists but the other requirements for interdependency are not satisfied because of a physical, intellectual or psychiatric disability that requires a person to live in an institution.

Legal personal representative

Your legal personal representative is the person or organisation that:

- you appoint as the executor of your estate; or
- is appointed as an administrator of your estate if you do not have a valid will.

Minor children

Where a minor child is entitled to a death benefit payment, we may direct that money be paid into a trust set up on the child's behalf.

What happens when we are notified of your death

When Catholic Super is notified that you have died, we will switch your current investments into the Cash investment option. We take this approach to ensure, as much as possible, that the benefit for your dependants or estate is not reduced by any short-term negative investment returns before we pay your benefit.

Binding death benefit nominations

As a Catholic Super member, you can direct us to pay your death benefit to one or more of your dependants and/or legal personal representative by completing a valid *Making a death benefit nomination - Retirement Income and Transition to Retirement Income* form available from our website, **csf.com.au**, or by calling the Service Centre on **1300 655 002**.

A binding death benefit nomination will only be valid if you complete the form correctly and your nominated parties either meet the definition of a dependant under superannuation law or are a properly appointed legal personal representative.

Binding nominations will only be valid for three years so we'll ask you to confirm your nomination at least once every three years. You can, of course, change your nomination at any time by correctly completing a valid form.

Reversionary beneficiary nominations

You can nominate one dependant listed below as a reversionary beneficiary at any time and, provided the beneficiary you nominate is still your dependant for tax purposes when you die, then we must pay your benefit in line with your nomination:

- your spouse;
- a child under the age of 18;
- a child under the age of 25 who is financially dependent on you;
- a child of any age who suffers from an intellectual, psychiatric, sensory, and/or physical impairment that is permanent or likely to be permanent that results in substantially reduced capacity for communication, learning or mobility and the need for ongoing support services;
- a person who is financially dependent on you; or
- a person in an interdependency relationship with you.

You cannot nominate your estate or legal personal representative as your reversionary beneficiary.

After your death, we will continue to pay an income stream from your account to your eligible reversionary beneficiary. Your beneficiary may choose to convert that income stream to a lump sum.

If your reversionary beneficiary is under 25 and not suffering an intellectual, psychiatric, sensory and/or physical impairment, they can elect to receive their benefit as an income stream until they turn 25, at which time they will receive the remainder of the benefit as a lump sum.

If you intend to make a reversionary nomination, we suggest that you do so when opening your account. However, you can change your beneficiary nomination at any time by completing the *Making a death benefit nomination - Retirement Income and Transition to Retirement Income* form, which can be found on our website **csf.com.au**.

Any new nomination you make will override the existing nomination you have in place. We recommend you seek financial advice before making, removing or adding a reversionary nomination, as there may be financial or tax implications.

Non-binding death benefit nominations

If you don't make a reversionary or binding death benefit nomination or you don't complete the nomination form correctly, Catholic Super will make the decision about how to distribute your death benefit, but will take into account any non-binding beneficiary nomination you've made.

You can make a non-binding death benefit nomination by logging into our website, **csf.com.au** or by using the *Making a death benefit nomination - Retirement Income and Transition to Retirement Income* form.

Tax

Tax on your income

The following provides a general outline of the tax rules that apply to income payments and assumes you have no untaxed components and that you've provided us with your TFN. Given the complexity, we recommend you seek professional financial advice based on your personal circumstances.

If you're 60 or older

Your income payments and lump sum withdrawals are tax-free. You won't need to include these amounts as assessable income on your income tax return.

If you're under 60

Your income payments will be made up of a taxable and tax-free amount.

If you had a tax-free component in the super account you transferred to your retirement income account, then the same proportion of your income payments will also be tax-free. We will work this out for you.

You will need to include the taxable amount of your income payments as assessable income on your income tax return.

Tax on the taxable component

The taxable component of your income payment is treated as income, which means that income tax at your marginal rate (plus the Medicare levy) may be deducted when we pay you, less the tax offset.

Tax offset

If you're between your preservation age and 60 and we've got your TFN, you'll generally receive a 15% tax offset on the taxable part of your income. We apply this offset to your income payments automatically.

You can, however, ask us not to apply this tax offset. This allows you to defer receiving the benefit of the 15% tax offset until you complete your income tax return.

Tax on death benefits

Upon your death, your remaining account balance will be paid to your dependants as a reversionary pension, if you nominated one, or to a beneficiary as a lump sum.

Tax on reversionary pensions

The tax on reversionary pensions depends on age. If either you or your reversionary pensioner is aged 60 or over, then the income payments are tax-free. If you are both under age 60, then the taxable component of the payment will be taxed at the reversionary beneficiary's marginal tax rate until they turn 60.

Tax on lump sum death benefits

Lump sum death benefits paid to tax dependants are tax-free. Dependants for income tax purposes are considered to be:

- your spouse (including a person who is legally married to you, a person with whom you have a relationship registered under State or Territory law or a person with whom you live on a genuine domestic basis in a relationship as a couple);
- children, but only those under age 18;
- any person who is financially dependent on you at the time of your death;
- a person with whom you have an interdependency relationship.

If the lump sum is paid to non-tax dependants (such as independent adult children), the taxable component will be taxed at 17% (including 2% Medicare levy).

Your Tax File Number (TFN)

Under the Superannuation Industry (Supervision) Act 1993, Catholic Super can collect your Tax File Number (TFN) to be used and disclosed for lawful purposes. Catholic Super may disclose your TFN to another super fund if and when your benefit is being transferred, unless you have asked us in writing not to disclose it.

You are not required to provide your TFN to Catholic Super, but if you're under age 60 not providing it may mean that we are required to deduct tax from your income payments at the highest marginal tax rate.

Centrelink tests

Assets

Your Catholic Super Retirement Income account balance will be assessed against the Centrelink assets test.

Income

Under the Centrelink income test, the value of financial investments, including account-based pensions like a transition to retirement income, is deemed to earn a specific rate of return. This is counted as income under the income test, regardless of the actual returns generated, or the actual income received.

The deeming rates change periodically. For the most recent rates, go to **humanservices.gov.au/customer/enablers/deeming**

Enquiries and complaints

You can contact our Service Centre on **1300 655 002** or send us an email at **info@csf.com.au** when you have questions, need assistance, or if you're not satisfied with our product or the service you've received and would like to make a complaint.

We always try to resolve complaints quickly and to the satisfaction of all concerned and in the best interests of all our members.

Complaints can also be made by emailing **complaints@csf.com.au**, or in writing to:

Complaints Officer
Catholic Super
GPO Box 4303
Melbourne VIC 3001

You can find more information on the complaints process at **csf.com.au/complaints**

Financial Services Guide

Our Financial Services Guide (FSG) includes information about the services we offer, the structure of our business and remuneration, our relationship with other businesses, your rights, and how you can make a complaint. You can find our FSG on our website at **csf.com.au/pds**

Privacy

We respect your privacy and are committed to complying with privacy law obligations and protecting and maintaining the privacy of your personal information. You can find out more about how we collect and use your information in our Privacy Collection Statement at our website **csf.com.au**

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Help when you need it

We're ready to help you over the phone, via email and, of course, in person – so it's your call. Or email. Or meeting.

1300 655 002
8:30am to 6:00pm EST/EDT
(Monday to Friday)

info@csf.com.au
csf.com.au